

April 14, 2000

Legislative Audit Commission
622 Stratton Office Building
Springfield, IL 62706

Dear Members:

In accordance with section 3-15 of the Illinois State Auditing Act (30 ILCS 5/3-15), I hereby submit the report on the operations of the Office of the Auditor General for the third quarter of Fiscal Year 2000, which ended March 31, 2000.

FISCAL MATTERS

<i>FY 2000 – THIRD QUARTER</i>				
	<i>Appropriation</i>	<i>Expended</i>	<i>Obligated</i>	<i>Balance</i>
Personal Services	\$ 3,344,900	\$ 2,271,860	\$ 0	\$ 1,073,040
Employee Retire. (Employer)	134,000	85,860	0	48,140
State Retirement	328,000	220,769	0	107,231
Social Security	256,000	166,642	0	89,358
Contractual Services	591,700	414,899	99,077	77,724
Travel	110,000	54,854	0	55,146
Commodities	27,000	6,337	0	20,663
Printing	20,000	10,877	3,672	5,451
Equipment	76,000	56,056	0	19,944
EDP	120,000	60,110	28,039	31,851
Telecommunications	86,000	28,329	0	57,671
Oper. of Auto. Equip.	5,000	1,805	0	3,195
Audits/Studies/Invest.*	<u>12,262,100</u>	<u>6,589,423</u>	<u>2,199,581</u>	<u>3,473,096</u>
TOTAL	<u>\$17,360,700</u>	<u>\$9,967,821</u>	<u>\$2,330,369</u>	<u>\$5,062,510</u>
*Audit Expense Fund				

PERSONNEL

<i>PERSONNEL</i>					
	<i><u>01-01-00</u></i>	<i><u>Appointments</u></i>	<i><u>Separations</u></i>	<i><u>Transfers</u></i>	<i><u>03-31-00</u></i>
Springfield	67	0	3	0	64
Chicago	09	0	0	0	09
TOTAL	76	0	3	0	73

CONTRACTS

During the third quarter of Fiscal Year 2000 the Office of the Auditor General entered into one administrative contract, six financial/compliance audit contracts and two information systems contracts.

TRAINING

Training for the third quarter of Fiscal Year 2000 included Accounting and Auditing Updates, GASB #34: the New Governmental Reporting Model and Writing for Auditors. Additional external training that staff participated in includes Audit Control Language (ACL), Auditing EDI, Auditing for Fraud, Conflict Resolution and Confrontation Skills, Effective Information Systems Penetration Testing, Long Term Health Care Conference, Lotus Notes, Netware 5 Administration, Oracle Database Administration, Risk Assessment and Securing Your State Agency Network.

PERFORMANCE AUDITS

<i>PERFORMANCE AUDITS IN PROGRESS</i>
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<i>AUDITS</i>	<i>ESTIMATED RELEASE DATE</i>
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<ul style="list-style-type: none"> • Compliance and Management Audit of Chicago's Airports (PA 89-386) 	Unknown
<ul style="list-style-type: none"> • Audit of Distributions from the Municipal Economic Development Fund (PA 90-813) 	Summer 2000
<ul style="list-style-type: none"> • Program Audit of DHS Office of Inspector General (PA 91-169) 	Winter 2000

FINANCIAL & COMPLIANCE AUDITS

The following is a listing of financial and compliance audits for the period ending June 30, 1998. As the year progresses the “date released” column will be completed.

<p align="center"><i>FINANCIAL & COMPLIANCE AUDITS FOR THE PERIOD ENDING JUNE 30, 1998</i></p>

F = Financial

C = Compliance

<i>AGENCY</i>	<i>F</i>	<i>C</i>	<i>DATE RELEASED</i>
Aging	x	x	03-25-99
Anna Veterans Home		x	04-15-99
Attorney General	x	x	09-02-99
Big Muddy River Correctional Center		x	04-15-99
Capital Development Board	x	x	03-05-99
Central Management Services & Revolving Funds		x	03-10-99
Centralia Correctional Center		x	04-21-99
Chicago Metro. - Close Out		x	03-18-99
Chicago State University	x		05-20-99
Chicago State University Foundation	x	x	05-20-99
Children and Family Services	x	x	05-05-99
CMS - Deferred Compensation Plan	x		06-30-99
Commerce and Community Affairs	x	x	03-18-99
Community College Board	x	x	03-05-99
Community College System Foundation	x	x	03-05-99
Comptroller - Fiscal Officer	x	x	05-25-99
Comptroller - Non-Fiscal Officer	x	x	05-25-99
Conservation Foundation	x	x	02-11-99
Correctional Industries	x	x	04-21-99
Corrections - General Office	x	x	04-21-99
Danville Correctional Center		x	04-21-99
Development Finance Authority	x	x	04-27-99
Dixon Correctional Center		x	04-21-99

FINANCIAL & COMPLIANCE AUDITS (Continued)

<i>AGENCY</i>	<i>F</i>	<i>C</i>	<i>DATE RELEASED</i>
DuQuoin State Fair		x	03-10-99
Dwight Correctional Center		x	04-21-99
East Moline Correctional Center		x	04-21-99
East St. Louis Financial Advisory Authority	x	x	03-18-99
Eastern Illinois University	x	x	05-20-99
Eastern Illinois University Alumni Association	x		05-20-99
Eastern Illinois University Foundation	x		05-20-99
Employment Security	x		03-25-99
Environmental Protection Agency	x	x	05-05-99
EPA Trust Fund Commission (In EPA)	x	x	05-05-99
Farm Development Authority	x	x	04-27-99
Financial Institutions	x	x	03-18-99
General Assembly Retirement System	x	x	01-27-99
Governors State University	x	x	05-20-99
Governors State University Alumni Association	x		05-20-99
Governors State University Foundation	x		05-20-99
Graham Correctional Center	x		04-21-99
Health Care Cost Containment Council	x	x	05-13-99
Health Facilities Authority	x	x	04-27-99
Hill Correctional Center		x	04-21-99
Historic Preservation Agency	x	x	03-25-99
Housing Development Authority	x	x	04-27-99
Human Services - Central Office	x		05-13-99
Illinois River Correctional Center		x	04-21-99
Illinois State Fair		x	03-10-99
Illinois State University	x	x	05-20-99
Illinois State University Foundation	x	x	05-20-99
Illinois Youth Center – Harrisburg		x	04-21-99
Illinois Youth Center – Joliet		x	04-21-99
Illinois Youth Center – Murphysboro		x	04-21-99

FINANCIAL & COMPLIANCE AUDITS (Continued)

<i>AGENCY</i>	<i>F</i>	<i>C</i>	<i>DATE RELEASED</i>
Illinois Youth Center – Pere Marquette		x	04-21-99
Illinois Youth Center - St. Charles		x	04-21-99
Illinois Youth Center – Valley View		x	04-21-99
Illinois Youth Center – Warrenville		x	04-21-99
IMSA Fund	x		03-18-99
Industrial Commission – Self Insurers Fund	x		03-25-99
Insurance - Special Deputy			03-19-99
ISAC- Designated Account Purchase	x		03-18-99
Jacksonville Correctional Center		x	04-21-99
Joint Committee on Administrative Rules		x	04-15-99
Joliet Correctional Center		x	04-21-99
Judges Retirement System	x	x	01-27-99
Judicial Inquiry Board		x	06-17-99
Kankakee River Valley Area Airport Authority	x	x	06-17-99
LaSalle Veterans Home		x	04-15-99
Law Enforcement Training & Stand. Board	x	x	03-10-99
Legislative Information System		x	04-15-99
Lincoln Correctional Center	x	x	04-21-99
Liquor Control Commission	x	x	02-24-99
Logan Correctional Center		x	04-21-99
Lottery	x	x	02-24-99
Manteno Veterans Home		x	04-15-99
Mathematics & Science Academy	x	x	03-18-99
Medical District Commission	x	x	09-02-99
Menard Correctional Center	x	x	04-21-99
Metro Water District of Chicago	x	X	02-09-00
Military Affairs		x	03-10-99
Natural Resources	x	x	03-25-99
Northeastern Illinois University	x	x	05-20-99
Northeastern Illinois University Foundation	x		05-20-99

FINANCIAL & COMPLIANCE AUDITS (Continued)

<i>AGENCY</i>	<i>F</i>	<i>C</i>	<i>DATE RELEASED</i>
Northern Illinois University	x	x	05-20-99
Northern Illinois University Foundation	x	x	05-20-99
Office of Banks and Real Estate	x	x	03-18-99
Pollution Control Board	x	x	03-25-99
Pontiac Correctional Center		x	04-21-99
Prairie State 2000 Authority	x		05-05-99
Prisoner Review Board		x	03-10-99
Property Tax Appeal Board		x	03-05-99
Public Aid	x	x	06-17-99
Quincy Veterans Home	x	x	04-15-99
Racing Board	x	x	02-24-99
Revenue	x		03-10-99
Robinson Correctional Center		x	04-21-99
Rural Bond Bank	x	x	04-27-99
Secretary of State	x		05-25-99
Shawnee Correctional Center		x	04-21-99
Sheridan Correctional Center		x	04-21-99
SIU Carbondale – Alumni	x		02-11-99
SIU Carbondale – Foundation	x		02-11-99
SIU Edwardsville – Alumni	x		02-11-99
SIU Edwardsville – Foundation	x		02-11-99
SIU Physicians & Surgeons, Inc.	x		02-11-99
SIU University Park	x		02-11-99
Southern Illinois University	x	x	05-20-99
Southwestern Illinois Correctional Center		x	04-21-99
State Appellate Defender	x	x	02-24-99
State Board of Education	x	x	05-05-99
State Board of Investment	x	x	01-27-99
State Employees Retirement System	x	x	01-27-99
State Fire Marshal	x	x	06-30-99

FINANCIAL & COMPLIANCE AUDITS (Continued)

<i>AGENCY</i>	<i>F</i>	<i>C</i>	<i>DATE RELEASED</i>
State Police	x	x	04-15-99
State Police Merit Board		x	04-15-99
State Universities Retirement System	x	x	01-27-99
State's Attorneys Appellate Prosecutor	x	x	02-24-99
Stateville Correctional Center		x	04-21-99
Student Assistance Commission	x	x	03-05-99
Tamms Correctional Center		x	04-21-99
Taylorville Correctional Center		x	04-21-99
Teachers Retirement System	x	x	01-27-99
Toll Highway Authority	x	x	09-02-99
Transportation	x	x	04-15-99
Treasurer - Fiscal Officer	x	x	05-25-99
Treasurer - The Illinois Funds	x		02-11-99
University of Illinois	x	x	05-20-99
University of Illinois Alumni Association	x	x	05-20-99
University of Illinois Foundation	x	x	05-20-99
University of Illinois HMO – 97		x	05-20-99
University of Illinois HMO – 98	x		05-20-99
Vandalia Correctional Center		x	04-21-99
Veterans Affairs - General Office	x	x	04-15-99
Vienna Correctional Center		x	04-21-99
Violence Prevention Authority PA 89-353	x	x	09-02-99
Western Illinois Correctional Center		x	04-21-99
Western Illinois University	x	x	05-20-99
Western Illinois University Foundation	x		05-20-99

FINANCIAL & COMPLIANCE AUDITS (Continued)

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C = Compliance

<i>AGENCY</i>	<i>F</i>	<i>C</i>	<i>DATE RELEASED</i>
Alton Mental Health Center			
Arts Council and Foundation	x	x	02-24-00
Attorney General			
Attorney Registration and Disciplinary Commission			
Board of Admissions to the Bar			
Board of Higher Education	x	x	03-02-00
Bureau of the Budget	x	x	02-24-00
Capital Development Board	x		02-16-00
Center for Rehabilitation and Education			
Chester Mental Health Center			
Chicago Read Developmental Center			
Chicago State University			
Chicago State University Foundation			
Choate Mental Health Center			
Civil Service Commission			
Commission on Intergovernmental Cooperation		x	03-15-00
Comptroller - Fiscal Officer			
Comptroller - Non-fiscal Officer			
Conservation Foundation	x	x	03-02-00
Correctional Industries	x		03-15-00
Corrections - General Office	x	x	03-15-00
Court of Claims	x	x	03-09-00
Criminal Justice Information Authority	x	x	03-09-00

FINANCIAL & COMPLIANCE AUDITS (Continued)

<i>AGENCY</i>	<i>F</i>	<i>C</i>	<i>DATE RELEASED</i>
DCMS - Deferred Compensation Plan			
Deaf and Hard of Hearing Commission		x	03-09-00
Department of Agriculture	x	x	03-23-00
Department of Central Management Services	x		02-16-00
Department of Children and Family Services	x	x	02-16-00
Department of Commerce and Community Affairs	x	x	02-16-00
Department of Employment Security			
Department of Human Rights			
Department of Human Services - Central Office	x	x	03-29-00
Department of Insurance	x	x	02-16-00
Department of Labor		x	02-24-00
Department of Lottery	x	x	02-16-00
Department of Natural Resources	x	x	03-02-00
Department of Nuclear Safety	x	x	03-02-00
Department of Professional Regulation	x	x	02-24-00
Department of Public Aid	x	x	03-15-00
Department of Public Health			
Department of Revenue	x	x	03-29-00
Department of Transportation	x	x	03-23-00
Department of Veterans Affairs - Central Office	x	x	03-23-00
Department on Aging	x	x	02-16-00
Development Finance Authority	x	x	03-21-00
Distance Learning Foundation			
Drycleaner Envir. Res. Trust commission			
DuQuoin State Fair			
Eastern Illinois University	x	x	03-29-00
Eastern Illinois University Alumni Association			
Eastern Illinois University Foundation	x	x	03-29-00
Economic and Fiscal Commission		x	03-15-00
Educational Facilities Authority	x	x	03-21-00

FINANCIAL & COMPLIANCE AUDITS (Continued)

<i>AGENCY</i>	<i>F</i>	<i>C</i>	<i>DATE RELEASED</i>
Educational Labor Relations Board	x	x	02-24-00
Elgin Mental Health Center			
Emergency Management Agency	x	x	03-29-00
Environmental Protection Agency	x	x	03-09-00
EPA Trust Fund Commission	x	x	03-09-00
Farm Development Authority	x	x	03-21-00
Fox Developmental Center			
Gaming Board	x	x	03-29-00
General Assembly – House		x	03-15-00
General Assembly – Senate		x	03-15-00
General Assembly Retirement System	x	x	02-03-00
Governors Commission on the Status of Women		x	03-23-00
Governors State University			
Governors State University Alumni Association	x	x	03-29-00
Governors State University Foundation	x	x	03-29-00
Grain Insurance Corporation	x	x	03-23-00
Guardianship and Advocacy Commission	x	x	02-24-00
Health Facilities Authority	x	x	03-21-00
High School Association			
Historic Preservation Agency	x	x	03-09-00
Housing Development Authority	x	x	03-21-00
Howe Developmental Center			
Human Rights Commission			
Illinois Building Commission			
Illinois Commerce Commission	x	x	03-02-00
Illinois Community College Board	x	x	03-02-00
Illinois Conservation Foundation	x	x	03-02-00
Illinois Math and Science Academy	x	x	03-09-00
Illinois State Fair			
Illinois State Police	x	x	03-23-00

FINANCIAL & COMPLIANCE AUDITS (Continued)

<i>AGENCY</i>	<i>F</i>	<i>C</i>	<i>DATE RELEASED</i>
Illinois State University	x	x	03-23-00
Illinois State University Foundation	x		02-09-00
Illinois Student Assistance Commission	x	x	03-23-00
IMSA Fund	x	x	03-09-00
Industrial Commission			
Jacksonville Developmental Center			
Judges Retirement System	x	x	02-03-00
Judicial Inquiry Board			
Kankakee River Valley Area Airport Authority			
Kiley Developmental Center			
Law Enforcement Training and Standards Board	x	x	03-09-00
Legislative Audit Commission		x	03-15-00
Legislative Printing Unit		x	03-15-00
Legislative Reference Bureau		x	03-15-00
Legislative Research Unit		x	03-15-00
Lincoln Developmental Center			
Literacy Foundation			
Ludeman Developmental Center			
Mabley Developmental Center			
Madden Mental Health Center			
McFarland Mental Health Center			
Medical District Commission			
Metro. Pier and Exposition Authority			
Murray Developmental Center			
Northeastern Illinois University			
Northeastern Illinois University Foundation			
Northern Illinois University	x	x	03-21-00
Northern Illinois University Foundation	x		02-09-00
Office of the Governor			
Office of the Lieutenant Governor			

FINANCIAL & COMPLIANCE AUDITS (Continued)

<i>AGENCY</i>	<i>F</i>	<i>C</i>	<i>DATE RELEASED</i>
Pension Laws Commission		x	03-15-00
Planning Council on Developmental Disabilities	x	x	02-24-00
Prairieland Energy, Inc.	x	x	02-09-00
Prairie State 2000 Authority			
Rural Bond Bank	x	x	03-21-00
School for the Deaf			
School for the Visually Impaired			
Secretary of State	x	x	03-23-00
Shapiro Developmental Center			
Singer Developmental Center			
Southern Illinois University	x	x	03-21-00
Southern Illinois University Carbondale - Alumni Assoc.	x	x	03-21-00
Southern Illinois University Carbondale – Foundation	x	x	03-21-00
Southern Illinois University Edwardsville - Alumni Assoc.	x	x	03-21-00
Southern Illinois University Edwardsville – Foundation	x	x	03-21-00
Southern Illinois University Physicians and Surgeons	x	x	03-21-00
Southern Illinois University - University Park	x	x	03-21-00
Space Needs Commission		x	03-15-00
State Appellate Defender	x	x	03-02-00
State Board of Education	x	x	03-02-00
State Board of Elections		x	02-24-00
State Board of Investment	x	x	02-03-00
State Employees Retirement System	x	x	02-03-00
State and Local Labor Relations Board		x	02-24-00
State Universities Retirement System	x	x	02-03-00
State’s Attorneys Appellate Prosecutor	x	x	03-02-00
Summer School for the Arts	x	x	03-09-00
Supreme Court			
Teachers Retirement System	x	x	02-03-00
Teachers Retirement System – Chicago			

FINANCIAL & COMPLIANCE AUDITS (*Continued*)

<i>AGENCY</i>	<i>F</i>	<i>C</i>	<i>DATE RELEASED</i>
Tinley Park Mental Health Center			
Toll Highway Authority			
Treasurer - Fiscal Officer			
Treasurer - Illinois Funds	x		02-09-00
Treasurer - Non-fiscal officer			
Universities Civil Service Commission			
University of Illinois	x	x	03-02-00
University of Illinois Alumni Association	x		02-09-00
University of Illinois Foundation	x		02-09-00
University of Illinois HMO			
Western Illinois University	x	x	03-09-00
Western Illinois University Foundation	x	x	03-09-00
Zeller Mental Health Center			

INFORMATION SYSTEMS AUDITS

These audits are components of each agency's regularly scheduled financial and compliance audit for the period ending June 30, 1999.

<i>INFORMATION SYSTEMS AUDITS AUDITS INITIATED AND/OR COMPLETED IN FISCAL YEAR 2000</i>	
•	Chicago State University
•	Comptroller
•	Department of Central Management Services - BCCS 3 rd Party Review
•	Department of Commerce and Community Affairs
•	Department of Human Services
•	Department of Professional Regulations
•	Department of Public Aid
•	Department of Revenue
•	Guardianship and Advocacy Commission
•	Illinois Commerce Commission
•	Illinois Criminal Justice Information Authority
•	Illinois State Police
•	Illinois Student Assistance Commission
•	Northern Illinois University
•	Secretary of State
•	State Board of Elections
•	University of Illinois

EMERGENCY PURCHASES

The Illinois Procurement Code requires agencies expending funds in an emergency to file an affidavit with the Auditor General within 10 days after the procurement, setting forth the amount expended, the name of the contractor, and the circumstances requiring the emergency purchase. The Auditor General, in turn, is required to file a quarterly report with the Commission and the Governor setting forth a complete listing of all emergency purchases reported during that quarter. The latest report is for the third quarter of Fiscal Year 2000 and it contains seventy-one filings with this Office.

CONTRACTUAL SERVICES CERTIFICATIONS

Pursuant to the requirements of the State Finance Act at 30 ILCS 105/15a, State agencies must file a certification with the Auditor General prior to the execution of any contract with a former employee who took an early retirement incentive. The certification must state that the former employee either possesses unique expertise or is essential to the operation of the agency.

During the third quarter of Fiscal Year 2000, the Auditor General did not receive any such certifications.

Copies of certifications received in previous quarters are on file in our Office.

Yours truly,

WILLIAM G. HOLLAND
Auditor General